

## OVERVIEW

Transportation systems include streets, sidewalks, alleys, and bikepaths. The City of Eugene and Lane County have divided up the study area such that every road, annexed or unannexed, in the City's area is serviced by the City and every road, annexed or unannexed, in the County's area is serviced by the County. Table 11-1 lists the providers.

**Table 11-1. Service providers in River Road and Santa Clara**

	River Road	Santa Clara
<b>Annexed</b>	City of Eugene Lane County	Lane County
<b>Unannexed</b>	City of Eugene Lane County	Lane County

Source: Compiled by ECONorthwest.

The remainder of this section is organized as follows:

- **Understanding the service** describes how transportation services are typically delivered in urban areas, and describes the issues and analytical concerns associated with delivering the service.
- **Existing services and providers** describes the agencies and districts that provide the services and the level of service they provide.
- **Fiscal analysis** describes the costs to provide existing services. It also discusses revenues collected that are directly connected to delivering transportation services, how revenues in River Road and Santa Clara compare to revenues within the City of Eugene, and how expected growth and change in demand for services resulting from annexation would impact costs and revenues.
- **How different groups view the issues** describes service providers and service recipients' perspectives on the current level of service.
- **Conclusions** provides a summary of transportation services.

## UNDERSTANDING THE SERVICE

Transportation services include the maintenance and preservation of existing improved streets, bikepaths and alleys, upgrades and enhancements to existing facilities and new capital facilities. The City of Eugene is not responsible for the public bus systems, and they are not discussed here.

## URBAN LEVEL OF SERVICE

The City of Eugene provides the following definitions for unimproved and improved streets:

- An unimproved street has a generally gravel or asphalt mat surface, a substandard road base, and no curbs or gutters, lighting, bicycle facilities, sidewalks, etc.<sup>1</sup>
- An improved street has curbs, catch basins, and gutters to manage stormwater, an engineered road base designed for long life, high quality asphalt or concrete paving, sidewalks, street trees, street lighting, and bicycle lanes.<sup>2</sup>

It is difficult to define a standard for an urban level of service. Although the City defines an improved street as having curbs, gutters and sidewalks, the County does not consider streets without those features to be unimproved. Further, there are streets throughout Eugene that do not meet those criteria.

For the purposes of this report we will use the City's term of unimproved streets to describe those streets without curbs, gutters and sidewalks, or with a substandard road base. The City doesn't repave such unimproved streets. Instead the City only makes repairs to unimproved streets for public safety reasons. The County "intends to preserve the County's investment in all pavements, regardless of whether the streets have curbs and gutters."<sup>3</sup>

## ISSUES AND ANALYTICAL CONCERNS

Most of the services discussed in this report are General Fund services that receive the majority of funding from those monies, such as property taxes, that are not dedicated to specific purposes and can be used for general City services. We focused our analysis on General Fund costs because those costs are most closely tied with property taxes and other revenues that are related to the residents of River Road and Santa Clara. However, the Public Works Department receives the majority of its funding for transportation operation and maintenance from the Road Fund. In order to understand transportation operation and maintenance we discuss the Road Fund, in addition to the General Fund.

The Road Fund accounts for maintenance and operation of the City's roads. It receives primarily intergovernmental monies including State Highway Trust Fund and County/City Road Partnership Agreement payments. The State Highway Trust Fund derives its revenues from the state motor fuel tax of \$0.24 per gallon, state weight-mile taxes for heavy vehicles, and fees for motor vehicle registration, fines

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<sup>1</sup> City of Eugene, New Assessment Policy for Improvements to Local Streets, (<http://www.ci.eugene.or.us/PW/assmtpolicy/index.htm#unimproved>).

<sup>2</sup> City of Eugene, New Assessment Policy for Improvements to Local Streets, (<http://www.ci.eugene.or.us/PW/assmtpolicy/index.htm#unimproved>).

<sup>3</sup> Personal communication with Tom Stinchfield, Lane County Public Works Department, October 11, 2004.

and licenses. The State keeps 60% of the revenue, distributes 24% to counties based on each county's proportion of registered vehicles to the statewide total of registered vehicles and distributes 16% to cities based on the ratio of population to the statewide population within cities. The City of Eugene budgeted \$5.6 million from the State Highway Trust Fund for Fiscal Year 2003-2004.

Lane County pays the City of Eugene approximately \$1.2 million annually under the County/City Road Partnership Program (formerly the Urban Transition Program). Under the County/City Road Partnership Program Agreement the County provides funding from County timber receipts for road purposes to cities.<sup>4</sup> This funding is based on the number of City road miles within the City divided by the total number of City road miles within the County. The funds may only be used for road-related purposes following the same Oregon constitutional guidelines as State Highway Trust Fund revenues. During recent years, the funds have generally been focused on operations and maintenance activities by the City Public Works Department, except for a small portion of the fund that have been used for preservation activity (mainly street overlays) in the City's annual capital improvement budget. The current Lane County Capital Improvements Plan states that the partnership payment must be approved annually and the level of payments are at the discretion of the Board of County Commissioners.<sup>5</sup>

## EXISTING SERVICES AND PROVIDERS

In 1984, Eugene, Springfield, and Lane County began to discuss implementation of the Metro Plan. At that time, the concept of Urban Transition was developed to transition land inside the UGB into the cities with a coordinated plan for service provision. As a result the three jurisdictions adopted several intergovernmental agreements with service providers in unincorporated areas.

The City and the County have an intergovernmental agreement (IGA) for street maintenance. The current IGA outlines maintenance issues throughout Eugene and includes the River Road/Santa Clara area. Under the agreement, the County maintains all streets north of Beltline Road and the areas west of River Road and north of Maxwell Road. The City maintains those streets south of Beltline and east of River Road and those streets south of Maxwell Road and west of River Road. The City also maintains River Road from the Chambers overpass to Azalea Drive, including the roadway surface, signs, striping and traffic signals. The agreement states that the City maintains a total of 21.35 miles of County roads and the County maintains a total of 18.96 miles of City roads, however, the totals include some roads outside of the River Road/Santa Clara area.<sup>6</sup>

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<sup>4</sup> The County receives funds from the Federal Government from the sale of timber harvested on National Forest lands in the County. The current legislation covering distribution of timber receipts, the Secure Rural Schools and Community Self Determination Act of 2000, sunsets in 2006.

<sup>5</sup> Lane County 2004-2008 Capital Improvements Plan.

<sup>6</sup> Intergovernmental Agreement, City of Eugene/Lane County, p. 12.

The City and County have agreed on maintenance standards regardless of whether services are provided by the City or County. Annexed areas in River Road and Santa Clara are maintained according to the City's standards and unannexed areas in River Road and Santa Clara are maintained to the County's standards. The City and County have defined operational maintenance as any shoulder and surface maintenance, drainage maintenance, roadside vegetation control, bridge and structure maintenance, snow and ice control, maintenance of markings, signing and guard rails, operations and maintenance of traffic signals, and facility permit issuance and compliance. The City's standard for operational maintenance is for improved streets. The City will only provide many services to improved streets, including traffic calming.

Lane County overlaid and rehabilitated many streets in the River Road and Santa Clara areas, including City and County streets, following the installation of the sewer lines in the 1990s. The County reports that because of those efforts, the County has not been as active in the areas recently. Lane County installs street lighting as part of capital improvement projects. However, the County requires that another public entity agree to own, maintain and operate the lights after installation by the County. The River Road and Santa Clara water districts provide for the maintenance, repair, installation, removal and relocation of streetlights through a contract with EWEB.<sup>7</sup>

## HOW DO EXISTING SERVICES COMPARE TO CITY'S SERVICES?

The River Road area has more streets without curbs, gutters and sidewalks. Some isolated annexed properties lack curbs, gutters, and sidewalks, because it is impractical to upgrade the street in front of a single property.

Development in Santa Clara is often newer and has more improvements to streets. It is more common in Santa Clara for unannexed properties to have street improvements than in River Road.

The County rates County road miles on "Average Pavement Condition" on a scale from 0 to 100. Under the rating system, a rating of 70 to 85 is "Good," above 85 is "Very Good," and 100 is "Excellent." The average ratings for County road miles in River Road and Santa Clara are 79 and 83, respectively.<sup>8</sup> The County's average ratings for River Road and Santa Clara include unimproved streets, but do not include gravel streets.

The City also has a similar rating system for streets. Table 11-2 shows the City's ratings of the average condition of City streets in River Road and Santa Clara. The averages for overall condition of City roads do *not* include ratings for unimproved streets.

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<sup>7</sup> River Road and Santa Clara Urban Services Committee, *Final Report and Recommendations*, Sept. 2002, p. 45-46.

<sup>8</sup> Summary of Road Maintenance and Storm Drainage Maintenance Expenditure in River Road/Santa Clara, Lane County Public Works Department, October 7, 2004.

**Table 11-2. Average condition of City of Eugene streets in River Road and Santa Clara**

Type of Road	River Road Average Overall Condition	Santa Clara Average Overall Condition
Major Arterial	73	94
Minor Arterial	81	94
Collector	77	62
Neighborhood Collector	81	93
Local	83	95

Source: Average Condition of City of Eugene Streets in the River Road and Santa Clara Areas, Department of Public Works, City of Eugene.

Although the City and County both rate the condition of their streets on a scale of 100, the ratings for River Road and Santa Clara cannot be compared to each other. The City and County both rate their own streets and use their own criteria. It is also important to note that the County does include some unimproved streets in its averages, while the City does not include any unimproved streets in its averages.

The County and City have agreed to maintain all annexed roads under the IGA according to the City's standards and all County roads under the IGA according to the County's standards. The County provides more maintenance to unimproved streets than the City. The County will overlay pavement on streets that the City would consider to be unimproved. The City will fix potholes on such streets when they become large enough to be a safety issue. The City will only repave such streets if they are upgraded to include gutters, sidewalks, etc. Overall, residents have expressed more satisfaction with the County's transportation services because the City does not provide an equivalent level of maintenance to unimproved streets.

## **FISCAL ANALYSIS**

### **CITY OF EUGENE**

Delivering transportation services has many different cost categories for the Eugene Public Works Department, which can be organized into operating and maintenance (O&M) and capital. We first discuss O&M, and then capital. We were unable to obtain comparable cost information for Lane County.

### **OPERATING AND MAINTENANCE**

Public Works' operating and maintenance budget for Fiscal Year 2003-2004 is \$8.7 million. The City of Eugene funds transportation services with three funds, summarized in Table 11-3. The majority of expenditures for transportation services operating and maintenance budget are paid for by the Road Fund.

**Table 11-3. Funds for transportation services operating and maintenance budget, FY 2003-2004**

<b>Fund</b>	<b>Total Expenditures</b>	<b>Percent of O&amp;M Budget</b>
General Fund	1,051,614	12.1%
Road Fund	6,986,734	80.3%
Transportation Utility <sup>1</sup>	659,980	7.6%
<b>Total</b>	<b>8,698,328</b>	<b>100.0%</b>

1. In subsequent budget action, the funding provided by the Transportation Utility Fund was reduced to \$100,000 in FY04 and is not expected to be included in future years.

Source: City of Eugene Annual Budget – Fiscal Year 2004.

The General Fund accounts for monies, such as property taxes, that are not dedicated to specific purposes and can be used for general City services.

In this section, we first discuss transportation services funded by the General Fund, and then we discuss transportation services funded by the Road Fund.

## **General Fund**

Public Works' O&M budget has two cost categories within the General Fund:

- O&M includes expenditures for personnel, supplies, equipment and fleet and facilities maintenance.
- Central administrative services are the City's central business functions, such as human resources.

Public Works' General Fund operating and maintenance expenditures for transportation services for Fiscal Year 2003-2004 are about \$1.1 million (see Table 11-3). To show actual operating and maintenance costs associated with providing transportation services in Eugene, some expenditures must be added on to the division's General Fund operating and maintenance expenditures, including indirect costs for Central Services. The allocation of Central Service costs is a department's share of the City's costs for central business functions. The City calculates the allocation for each department to estimate the full cost of providing services by summing the Central Services Department's costs for indirect services and each department's administrative costs. Total administrative costs are then reallocated across departments. The General Fund Central Services cost allocation for Transportation is \$0.1 million.

We have calculated total General Fund costs for transportation services to be \$1.2 million. Based on estimated total assessed value in Eugene we calculated that the City of Eugene expends the equivalent of \$0.13 per \$1,000 in assessed value for transportation O&M.

Property taxes do not cover all costs for transportation services. To calculate the actual property tax contribution to the provision of services we need to first reduce our calculation for total General Fund costs (\$1.2 million) by the amount of revenue that a particular service contributes to the General Fund. Transportation services contribute \$0.5 million in revenue to the General Fund. Thus, General Fund costs

that are not covered by revenue generated by the transportation services total \$0.7 million. We calculated the property tax contribution to this amount by determining what percent of nondedicated General Fund revenue transportation services costs account for. We then multiplied that portion by the permanent property tax rate of \$7.0058 to determine transportation's portion of the permanent rate. Table 11-4 shows the contribution of property taxes to the transportation services General Fund operating budget.

**Table 11-4. Property Tax Contribution to Operating and Maintenance Expenditures, FY 2003-2004**

	<b>FY2003-2004 Expenditures (\$)</b>
Transportation's Total O&M Budget	8,698,328
General Fund-Transportation O&M Budget	1,051,614
Transportation Indirect Cost Allocation for Central Services	128,000
Transportation Revenue to the General Fund	(486,416)
Calculated Transportation O&M Costs	693,198
Calculated Portion Covered by Property Taxes	\$0.06

Source: Calculated by ECONorthwest with data from City of Eugene Annual Budget – Fiscal Year 2004.

In total, City of Eugene property owners are paying property taxes of approximately \$0.06 per \$1,000 in assessed value for transportation services for Fiscal Year 2003-2004.<sup>9</sup> For a property with an assessed value of \$115,000, an estimated \$7 per year of property taxes would pay for transportation services.

## Road Fund and Transportation Utility Fund

The General Fund does not pay for the majority of transportation services. Instead, the Road Fund pays for 80% of the operating budget (see Table 11-3). The Road Fund accounts for most maintenance of the City's roads and receives primarily intergovernmental monies from Lane County and the State of Oregon.

## CAPITAL

Capital projects include the acquisition or construction of a fixed asset that has a life expectancy greater than one year and monetary value greater than \$5,000, such as constructing a new building. Capital projects are included in a separate Capital Budget. The City of Eugene 2004-2009 Capital Improvement Program includes \$7.8 million in capital projects for transportation services for FY03-04. Capital expenditures were to be paid for from the Transportation Utility Fund. However, because the primary revenue source for the fund, the transportation system maintenance fee, was repealed, many of the projects are currently unfunded.

<sup>9</sup> The City of Eugene realizes a 93% collection rate for property taxes. This means that if the City of Eugene were to levy just for transportation services, it would need to levy at a higher rate than \$0.06 per \$1,000 in assessed value in order to collect \$0.06 per \$1,000 in assessed value. The City would need to actually levy \$0.07.

## TOTAL COSTS

In total, the City of Eugene is paying the equivalent of an estimated \$0.13 per \$1,000 in assessed value for General Fund expenditures for transportation services for FY03-04.

Property owners of Eugene are paying an estimated \$0.06 per \$1,000 in assessed value for transportation services for FY03-04.

## LANE COUNTY

The General Fund does not pay for the provision of transportation services in Lane County. The County pays for transportation O&M with the Road Fund. In Fiscal Year 2003-2004 the County expended \$132,000 in River Road and \$401,000 in Santa Clara on road maintenance, for total expenditures of \$533,000.<sup>10</sup>

## IMPACTS OF EXPECTED GROWTH AND CHANGE

If the City annexed more of the River Road/Santa Clara area it would potentially receive increased State Highway Trust Fund revenues, which are partially based on population, and County/City Road Partnership Program revenues, which are based on miles of City streets. The City costs for street maintenance would increase as the City acquired more streets.

Calculating costs to property owners to improve streets (new road beds, sidewalks, etc.) is outside the scope of this study.

Under the current annexation policy, any new development must annex to the City of Eugene, and thus pay current systems development charges (SDCs) for transportation:

- A single-family or two-family house pays \$1,363.66 per dwelling unit multiplied by a trip rate of 1.01, or approximately \$1,377 per home.
- A multifamily development pays \$1,363.66 per dwelling unit multiplied by a trip rate of 0.58, or approximately \$790 per unit.
- A manufactured home park pays \$1,363.66 per space multiplied by a trip rate of 0.58, or approximately \$790 per manufactured home.
- Non-residential developments pay \$1,363.66 per unit multiplied by a trip rate specific to the type of development.<sup>11</sup>

The Boundary Commission requires that a property receive a minimum level of transportation services before it will approve annexation to the City of Eugene.<sup>12</sup>

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<sup>10</sup> Summary of Road Maintenance and Storm Drainage Maintenance Expenditure in River Road/Santa Clara, Lane County Public Works Department, October 7, 2004.

<sup>11</sup> City of Eugene Public Works Department ([www.ci.eugene.or.us/PW/SDC/Rates.htm](http://www.ci.eugene.or.us/PW/SDC/Rates.htm)). Downloaded May 28, 2004.



The issue of street improvements is not unique to the River Road/Santa Clara area. Other neighborhoods in Eugene have areas without sidewalks, curbs or gutters in the streets.

## HOW DIFFERENT GROUPS VIEW THE ISSUES

This section briefly summarizes the view that service providers and service recipients have toward transportation in the River Road and Santa Clara areas.

The Urban Services Committee reported that **residents of River Road and Santa Clara** are not satisfied with the current transportation policies and practices of the City of Eugene. The River Road and Santa Clara Urban Services Committee expressed concerns about funding for maintenance, traffic flow, and signals. Residents appear to be more dissatisfied with the City's policies for connectivity than with maintenance issues. Some residents believe that the streets and other qualities of the area are not compatible with the City's standards for connectivity standards.

**The City of Eugene and Lane County** have split responsibilities for maintaining roads. The agreement makes provisions of services more efficient, with one service provider focused on one area.

## CONCLUSIONS

All residents of annexed areas of River Road and Santa Clara receive transportation services at the City's standards. However, transportation services to some residents of River Road and almost all residents of Santa Clara are actually provided by Lane County. Similarly, some residents of River Road, annexed and unannexed receive transportation services from the City.

Because the City largely funds transportation services with the Road Fund and the Transportation Utility Fund, property owners of Eugene pay an estimated \$0.06 per \$1,000 in assessed value for provision of transportation services through their property taxes. Therefore, City of Eugene property owners pay an estimated \$7 in property taxes for a single-family residence with an assessed value of \$115,000 for an urban level of service.

The Boundary Commission requires that a property receive a minimum level of transportation services before it will approve annexation to the City of Eugene.<sup>12</sup>

The County provides more maintenance to unimproved streets than the City. The County will overlay pavement on streets that the City would consider to be unimproved. The City will fix potholes on such streets when they become large

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<sup>12</sup> City of Eugene Annexation Information and Forms Packet: River Road/Santa Clara area, <http://www.ci.eugene.or.us/pdd/Planning/Applications/annexation/rrsc.pdf>.

<sup>13</sup> City of Eugene Annexation Information and Forms Packet: River Road/Santa Clara area, <http://www.ci.eugene.or.us/pdd/Planning/Applications/annexation/rrsc.pdf>.

enough to be a safety issue. The City will only repave such streets if they are upgraded to include gutters, sidewalks, etc. Overall, residents have expressed more satisfaction with the County's transportation services because the City does not provide an equivalent level of maintenance to unimproved streets.